

# EXHIBIT 11



*“Integration is innovation,” Schwartz says.*

**DEALERS**

## Reporter Turned Executive: 'Ask Questions, Learn a Lot'

*Cox Automotive President Sandy Schwartz talks about the challenges of juggling a 25-brand company, his management style and lessons he learned from his Holocaust-survivor parents.*

Steve Finlay | Feb 15, 2017

Sandy Schwartz still uses skills he honed when he was a newspaper reporter.

“As a journalist, I learned that if you ask questions, you’ll learn a lot,” says Schwartz, who now heads Cox Automotive.

The company takes in \$7 billion in annual revenue from its 25 brands and has about 32,000 employees and associates.

Brands include AutoTrader (vehicle-inventory listings) and Kelley Blue Book (vehicle values) on the consumer side and vAuto (inventory-management systems), Dealertrack (dealership management systems) and Manheim (auto auctions) on the dealer side.

Parent company Cox Enterprises formed Cox Automotive in 2014 to consolidate its auto holdings. Schwartz has run it since the start. He has had 17 jobs in 31 years working for Cox.

*WardsAuto* spoke with him about the challenges of juggling a 25-brand company, his management style and lessons he learned from his Holocaust-survivor parents.

**WardsAuto:** So what’s new with Cox Automotive?

**Schwartz:** We've been on this path of bringing our companies together, trying to take the friction out of auto buying, helping the OEMs when we can and focusing on the dealers.

When you say "What's new?" everyone wants to hear what you are going to buy next or do next. Our focus is having the existing products work really well to the benefit of dealers and OEMs, too. Those two groups work hand in hand.

Everyone talks about innovation. Integration is innovation. We're really focused on relentless execution and improving all of our products this year and next.

We are helping the vehicle transaction happen faster at the dealership because after the customer has been in the dealership beyond 90 minutes, things can start going downhill. That's why a seamless online-to-offline experience is important.

**WardsAuto:** So the idea isn't to do a rush job at the dealership, as much as front-end a lot of the purchase process.

**Schwartz:** There is no such thing as a rush job. You have to fill out the paperwork and get the title and all these things. And the dealer wants the opportunity to sell F&I products such as warranties.

But, yes, it is giving the opportunity to get as much done outside the dealership beforehand, and then making sure that when someone walks in, all that preliminary work is not forgotten.

Ninety percent of people who walk into a dealership are educated about the process and product. If they're not, I feel sorry for them.

**WardsAuto:** They have no excuses?

**Schwartz:** Yeah, informed consumers have done a lot of online work. As they transition from online to offline, how does a dealer pick up on that experience? The most frustrating thing for consumers is to get online, configure a car, figure out what their trade-in value and then go to the dealership where a salesperson says, “That’s great. Now, let me take you over here and talk about something else.”

**WardsAuto:** What are you telling dealers in that regard?

**Schwartz:** You have more educated buyers who are using tools. Let’s make it better for them when they get to the dealership. Let’s get the friction out and make it faster.

**WardsAuto:** Shouldn’t dealers know that already?

**Schwartz:** Roughly 50% of dealers say, “This is a new world, let’s get with it.” The other 50%, or maybe less, are saying, “We’re coming off some really good years and making money; we’ll get to that stuff, but not right now.”

**WardsAuto:** You have 25 brands. Do you see yourself as like a conductor of a symphony where everyone is playing together and putting out a single thing or is this a conglomeration that’s covering all the bases?

**Schwartz:** Every single person in our organization works perfectly well with everyone else and has no issues with anything.

**WardsAuto:** Wow.

**Schwartz:** I'm kidding. It was a challenge bringing all these companies together. It was a symphony, but with a lot of off-key tunes. We're still working hard to bring everyone together, but we've made amazing strides.

**WardsAuto:** Is the strategy to interconnect all the brands?

**Schwartz:** We say this inside: "We are a house of brands, not a branded house." We're not going to change brand names, whether it is Autotrader, Kelley Blue Book or Manheim. But we are going to work together. We have an array of services that someday will be totally connected, totally seamless. They're not going to be products that are not talking to each other. We have a vision, but integration is tough.

**WardsAuto:** How do you keep track of all these companies? It seems like it would be like spinning plates.

**Schwartz:** First of all, this is the best job I ever had. I'm having more fun and feel there's a mission and a reason for doing it. Second, I work for great owners. This is no knock against publicly owned companies but working for a private company with a 20-year vision makes my job easier. Sure, we have budgets and goals. But we're not fixated on quarterly results.

My job is to get the roadblocks out of the way so people can do their jobs. Years ago, I was the executive vice president and general manager of the *Austin American-Statesman*. I told my boss, "I'm not going to be around next week." He asked me why. I said, "I'm going to work the press room." He asked why. I said, "We've got some problems there and I've got to run the presses so I know what's going on."

He looked at me and said, “You can do what you want, but your job is not to run the presses. It’s to know how they run.” That stuck with me. The job is to know how it works and enable it so it works well.

The other thing is that I played baseball in school and learned a long time ago it’s all about teamwork. I know that sounds trite, but it’s true.

**WardsAuto:** What position did you play?

**Schwartz:** Second base.

**WardsAuto:** So how would you describe your management style, or did you just do that?

**Schwartz:** I think I did, but it is to focus on people, develop leaders and enable team members to reach their potential.

I have a saying: Be open, honest and direct with ourselves and our clients. I said that at a meeting when I went to Cox Media (a broadcasting, publishing and digital media subsidiary). During the first break, one of our veterans said to another guy, “What did he mean by that?” I thought, “Well, he’s not going to make it.”

**WardsAuto:** You have a lot of brands and a lot of employees. Do you have people lined up outside your office door waiting to pitch ideas?

**Schwartz:** If there’s a complaint about the people who work for me, it is that I am rarely in the office and they can’t find me. I’ve told them, “I’ve never made a dime sitting in my office.” I’m typically out with our team members or clients. I’m on the road a lot. I just returned from China.

We have a strategy department. A lot of times if ideas are proposed, I'll push them there, or to the right place.

But I think everyone in our organization feels comfortable emailing or texting me with their ideas, complaints or whatever. How you handle those determines who you are.

Sometimes the best calls you get are people complaining you're not doing something right. It helps you get better. You have filters but you try to listen. My dad told me, "You have two ears and one mouth for a reason."

**WardsAuto:** What's the ratio of good ideas to bad ideas you get from your people?

**Schwartz:** About 90 good to 10 bad. Some of it is just input that's not on the scale of a product launch. Like: "Here's something you ought to know to make things better."

**WardsAuto:** You grew up as a first-generation American in Ohio. Share the story of your background.

**Schwartz:** My parents were originally from Poland. They were Holocaust survivors who ended up getting sent to Columbus. I studied journalism at Ohio State. My first journalism job was as a sports writer for a local paper.

I'm one of the lucky ones. Growing up, I had a loving family and an amazing role model in my dad, who was an entrepreneur.

**WardsAuto:** What did he do exactly?



**Schwartz:** He was a union laborer putting in glass for commercial building projects. He came home one day and said, "I'm starting my own business as a glass installer." Then he got into real estate, and did very well.

**WardsAuto:** What life lesson did you learn from your parents, especially with them being Holocaust survivors?

**Schwartz:** My mom, who is 93, and my late dad were polar opposites. He was, the glass is half full. She was, the glass is half empty. She's still like that. The No.1 lesson I learned from my dad is to treat people the way you want to be treated. If you do that, you'll be great.

My mom is an overall wonderful person. I understand why she's a pessimist; look what she'd been through. But there's an answer to every problem. You've just got to work on it.

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